

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HJR 740

March 18, 2018

SUMMARY OF BILL: Proposes amending Article II, Section 28 of the Constitution of Tennessee to prohibit the Tennessee General Assembly from levying a state property tax and removes the classification of all other tangible property assessed at five percent of its value.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$9,100/One-Time

Assumptions:

- The Secretary of State will publish the proposed amendment.
- The one-time increase in state expenditures for publishing costs is estimated to be \$9,100 based on the cost of recent publications incurred by the Secretary of State.
- Any increase in state expenditures to prepare a copy of this resolution is estimated to be not significant.
- Public Chapter 90 of 1949 repealed the last levied state property tax.
- If the amendment was adopted, the provision would have no impact on current state collections, as the state does not currently collect state property taxes; however, the state would forgo any future revenue from levying a state property tax.
- Currently, Article II, Section 28 (c) prescribes all other taxable property be assessed at five percent of its value and exempts \$7,500 worth of property to cover personal household goods and furnishings, wearing apparel and other tangible property in the hands of a taxpayer.
- Based on information provided by the Comptroller of the Treasury, in tax year 2017, no property was classified as “all other tangible personal property” was assessed; therefore, any impact to local government is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj